

In the Claims

1.- 10. (Canceled)

11. (Original) A method for automatically rebalancing a portfolio of an investor, comprising the steps of:

for a first time, determining a human capital of the investor;

dividing the human capital of the investor into at least first and second investment types according to a predetermined formula, the first and second investment types having different degrees of risk;

summing a financial worth of the investor and the human capital to derive a total worth of the investor;

making a target allocation of the total worth of the investor between the first and second investment types according to a predetermined, stored ratio;

for the first time, recommending an allocation of the assets of the financial worth of the investor between the first and second investment types such that the asset allocation of the total worth of the investor meets or most closely approaches the target allocation; and

for the first time, using the last said recommendation of allocation of assets to determine how assets in an investment portfolio of the investor ought to be allocated among predetermined investment vehicles.

12. (Original) The method of Claim 11 and further comprising the steps of:

for a second time following the first time, recalculating the human capital of the investor;

for the second time, recommending an allocation of the assets of the financial worth of the investor between the first and second investment types such that the asset allocation of the total worth of the investor most closely approaches the stored ratio; and

for the second time, using the last said recommendation of allocation of assets to determine how assets in the investment portfolio of the investor ought to be allocated among predetermined investment vehicles.

13. (Original) The method of Claim 12, and further comprising the steps of adjusting and re-storing the stored ratio between the first time and the second time.

14. (Original) The method of Claim 11, wherein the human capital is determined as a function of the investor's age.

15. (Original) The method of Claim 14, wherein the human capital is additionally determined as a function of the investor's mortality, income and savings rate.

16. (Original) The method of Claim 11, and further comprising the steps of:

using the human capital as calculated for the investor using a currently extant savings rate and retirement age, calculating a case for a probable replacement retirement income; recalculating additional cases of human capital and probable replacement retirement income for the investor by varying the savings rate from the extant savings rate;

displaying the results of the calculated cases to an investor;

accepting the selection by the investor of one of the calculated cases; and
allocating assets of the portfolio of the investor using the human capital calculated
for the selected case.

17. (Original) The method of Claim 16, wherein said step of recalculating additional cases is performed by varying the retirement age as well as the savings rate.

18. (Previously presented) The method of Claim 11, and further comprising the steps of:

using the human capital as calculated for the investor using a currently extant savings rate and first assumed retirement age, calculating a case for a probable retirement income;

recalculating additional cases of human capital and probable replacement retirement income for the investor by varying the retirement age from the first assumed retirement age;

displaying the results of the calculated cases to the investor;

accepting the selection by the investor of one of the calculated cases; and
allocating assets of the portfolio of the investor using the human capital calculated for the selected case.

19. (Original) The method of claim 12, and further comprising the steps of:

at the first time, selecting for the investor a first portfolio type from a plurality of predetermined portfolio types, the portfolio types being sequentially ranked according to

risk, the first portfolio type being selected as a function of the relative amount of first and second investment types present in the recommendation of allocation of assets;

at the second time, determining whether the first portfolio type should still be indicated for the investor given the recommendation of allocation of assets at the second time, or whether the investor should be shifted to an adjacent, second portfolio type.

20. (Original) The method of claim 19, and further comprising the step of: shifting the investor to the second portfolio type only after a predetermined period has elapsed since the first portfolio type was assigned to the investor.

21 - 29. (Canceled)

30. (Original) A system for allocating assets of each of a plurality of participant portfolios in a benefit plan established on behalf of an employer of the participants, comprising:

an automated benefit plan manager configured to buy and sell shares of a plurality of predetermined investment vehicles of varying risk;

a database coupled to the automated benefit plan manager and including a plurality of records each representing the assets of a participant portfolio, each portfolio having assets distributed among the predetermined investment vehicles, the sum of the assets of the participant portfolios constituting the assets of the benefit plan; and

an automated independent investment advisor coupled to the automated benefit plan manager for transmitting investment instructions to the plan manager, the

independent investment advisor, for each participant, calculating a human capital of the participant, the independent investment advisor formulating instructions to the plan manager as to the allocation of assets of the portfolio of the last said participant based on the calculation of human capital.

31. (Original) The system of Claim 30, wherein the automated independent investment advisor is coupled to a record keeper containing data on the participants, the automated independent investment advisor calculating the human capital of a participant as a function of record keeper data concerning the last said participant.

32. (Original) The system of Claim 30, wherein the automated independent investment advisor includes a participant interface for receiving from each participant respective participant data, the advisor calculating the human capital as a function of the participant data received from the participant.

33. (Original) The system of Claim 30, wherein the automated investment advisor includes a participant interface, the advisor presenting a recommended allocation of portfolio assets to each participant over the participant interface and accepting modifications of the allocation of portfolio assets from the participant, the automated investment advisor instructing the plan manager to make an allocation of assets of the portfolio of the participant based on the recommendations of the investment advisor as modified, if at all, by the participant.

34. (Previously presented) The system of Claim 30, wherein the automated investment advisor calculates a first model portfolio based on the human capital of the participant as calculated using the present participant savings rate and retirement age and a probable replacement retirement income based on the model portfolio, the advisor further calculating a plurality of alternative cases in which the savings rate is varied from the present savings rate, the investment advisor displaying a plurality of the cases to the participant for the participant to select one of the cases.

35. (Canceled)

36. (Previously presented) The system of Claim 30, wherein the automated investment advisor calculates a first model portfolio based on the human capital of the participant as a function of the present participant savings rate and a first assumed retirement age and a probable replacement retirement income based on the first model portfolio, the advisor further calculating a plurality of alternative cases in which the retirement age is varied from the first assumed retirement age, the investment advisor displaying a plurality of the cases to the participant to select one of the cases.

37. - 50. (Canceled)

51. (Original) A machine-readable medium on which has been prerecorded a computer program which, when executed by a processor, performs the steps of:

for a first time, determining a human capital of an investor;

dividing the human capital of the investor into at least first and second investment types according to a predetermined formula, the first and second investment types having different degrees of risk;

summing a financial worth of the investor and the human capital to derive a total worth of the investor;

making a target allocation of the total worth of the investor between the first and second investment types according to a predetermined, stored ratio;

for the first time, recommending an allocation of the assets of the financial worth of the investor between the first and second investment types such that the asset allocation of the total worth of the investor meets or most closely approaches the target allocation; and

for the first time, using the last said recommendation of allocation of assets to determine how assets in an investment portfolio of the investor ought to be allocated among predetermined investment vehicles.

52. (Original) The medium of Claim 5 1, wherein the processor further performs the steps of:

for a second time following the first time, recalculating the human capital of the investor;

for the second time, recommending an allocation of the assets of the financial worth of the investor between the first and second investment types such that the asset allocation of the total worth of the investor most closely approaches the stored ratio; and

for the second time, using the last said recommendation of allocation of assets to

determine how assets in the investment portfolio of the investor ought to be allocated among predetermined investment vehicles.

53. (Original) The medium of Claim 51, wherein the processor determines the human capital as a function of the investor's age

54. (Original) The medium of Claim 53, wherein the processor additionally determines the human capital as a function of the investor's mortality, income and savings rate.

55. (Original) The medium of Claim 51, wherein the processor further performs the steps of:

- using the human capital as calculated for the investor using a currently extant savings rate, calculating a case for a probable replacement retirement income;

- recalculating additional cases of human capital and probable replacement retirement income for the investor by varying the savings rate from the extant savings rate;

- causing a display coupled to the processor to display the results of the calculated cases to a participant;

- accepting the selection by the investor of one of the calculated cases; and

- formulating an allocation of the assets of the portfolio of the investor using the human capital calculated for the selected case.

56. (Original) The medium of Claim 55, wherein the processor recalculates additional cases of human capital and probable replacement retirement income by varying the retirement age as well as the savings rate.

57. (Original) The medium of Claim 51, wherein the processor performs the further steps of:

using the human capital as calculated for the investor using a currently extant savings rate and a first assumed retirement age, calculating a case for a probable retirement income;

recalculating additional cases of human capital and probable replacement retirement income for the investor by varying the retirement age from the first assumed retirement age;

displaying the results of the calculated cases to the investor;

accepting the selection by the investor of one of the calculated cases; and

allocating assets of the portfolio of the investor using the human capital calculated for the selected case.

58. (Original) The medium of claim 51, wherein the processor performs the further steps of:

at the first time, selecting for the investor a first portfolio type from a plurality of predetermined portfolio types, the portfolio types being sequentially ranked according to risk, the first portfolio type being selected as a function of the relative amount of first and second investment types present in the recommendation of allocation of assets; and

at the second time, determining whether the first portfolio type should still be indicated for the investor given the recommendation of allocation of assets at the second time, or whether the investor should be shifted to an adjacent, second portfolio type.

59. (Previously presented) The medium of claim 58, wherein the processor performs the further step of:

shifting the investor to the second portfolio type only after a predetermined period has elapsed since the first portfolio type was assigned to the investor.

60. - 63. (Canceled)

64. (Previously presented) A system for automatically rebalancing a portfolio of an investor, comprising:

a memory for storing a value for a human capital of at least one investor and data relating to the assets composing a financial worth of the investor;

a processor coupled to the memory and programmed to divide the human capital of the investor into at least first and second investment types according to a predetermined stored formula, the first and second investment types having different degrees of risk;

the processor further programmed to sum the financial worth of the investor with the human capital of the investor to derive a total worth of the investor;

the processor further programmed to make a target allocation of the total worth of the investor between the first and second investment types according to a

predetermined, stored ratio;

the processor calculating, at a first time, a recommended allocation of the assets of the financial worth of the investor between the first and second investment types such that the asset allocation of the total worth of the investor meets or most closely approaches the target allocation, and

the memory at the first time storing the recommended allocation of the assets of the financial worth of the investor for use in directing the allocation of assets in a portfolio of the investor.

65. (Previously presented) The system of Claim 64, wherein at a second time following the first time, the processor recalculates the human capital of the investor, the processor calculating a recommended allocation of assets of the financial worth of the investor between the first and second investment types such that the asset allocation of the total worth of the investor most closely approaches the ratio stored in the memory, the memory at the second time storing the recommended allocation of assets for use in directing the allocation of assets of the portfolio of the investor.

66. (Previously presented) The system of Claim 65, wherein the processor is further programmed to adjust and re-store in the memory the ratio between the first time and the second time.

67. (Previously presented) The system of Claim 64, wherein the memory stores the age of the investor, the processor calculating the investor's human capital as a function of

the investor's age.

68. (Previously presented) The system of Claim 64, wherein the memory stores the investor's mortality, income and savings rate, the processor calculating the investor's human capital as a function of the investor's mortality, income and savings rate.

69. (Previously presented) The system of Claim 64, and further including a display viewable by the investor and coupled to the processor, and a user interface operable by the investor and coupled to the processor, wherein the memory stores the investor's mortality and extant savings rate, the processor calculating additional cases of human capital and probable replacement retirement income by varying the savings rate from the extant savings rate and displaying the results to the investor, the processor accepting a selection by the investor of one of the calculated cases and allocating assets of the portfolio of the investor using the human capital calculated for the selected case.

70. (Previously presented) The system of Claim 69, wherein the processor calculates the additional cases by varying the retirement age of the investor as well as the savings rate.

71. (Previously presented) The system of Claim 64, wherein the memory stores a currently extant savings rate of the investor, the system further including a display viewable by the investor and coupled to the processor, and a user interface operable by the investor and in communication with the processor, the processor using the human

capital as calculated for the investor using the currently extant savings rate and a first assumed retirement age to calculate a case for probable retirement income, the processor calculating additional cases of human capital and probable replacement retirement income for the investor by varying the retirement age from the first assumed retirement age, the processor displaying the results to the investor via the display, the processor accepting a selection by the investor of one of the calculated cases and allocating assets of the portfolio of the investor using the human capital calculated for the selected case.

72. (Previously presented) The system of Claim 65, wherein the processor, at the first time, selects for the investor a first portfolio type from a plurality of predetermined portfolio types, the portfolio types being sequentially ranked according to risk, the first portfolio type being selected as a function of the relative amount of first and second investment types present in the recommendation of allocation of assets, the processor determining, at the second time, whether the first portfolio type should still be indicated for the investor given the recommendation of allocation of assets at the second time, or whether the investor should be shifted to an adjacent, second portfolio type.

73. (Previously presented) The system of claim 72, wherein the processor shifts the investor to the second portfolio type only after a predetermined period has elapsed since the first portfolio type was assigned to the investor.

74. (Previously presented) A method for allocating assets of each of a plurality of participant portfolios in a benefit plan established on behalf of an employer of the

participants, comprising the steps of:

establishing an automated benefit plan manager to buy and sell shares of a plurality of predetermined investment vehicles of varying risk;

maintaining a database to have a plurality of records each representing the assets of a participant portfolio, each portfolio having assets distributed among the predetermined investment vehicles, the sum of the assets of the participant portfolios constituting the assets of the benefit plan;

using an automated independent investment advisor to calculate, for each participant, a respective human capital;

using the automated independent investment advisor to formulate investment instructions as to the allocation of assets of the portfolio of each participant based on the step of calculating the human capital for that participant; and using the automated independent investment advisor to transmit the investment instructions to the plan manager.

75. (Previously presented) The method of Claim 74, and further including the steps of:

establishing a record keeper to contain data on the plan participants;

coupling the record keeper to the automated independent investment advisor; and

calculating the human capital of each participant as a function of data obtained from the record keeper concerning that participant.

76. (Previously presented) The method of Claim 74, and further including the step

of calculating the human capital of a participant based on participant data received from the participant.

77. (Previously presented) The method of Claim 74, and further including the steps of:

using the automated independent investment advisor to present, over a participant interface, a recommended allocation of assets;

through the participant interface, accepting modifications by the participant of the allocation of portfolio assets; and

using the automated independent investment advisor to instruct the plan manager to make an allocation of assets of the portfolio of the participant based on the recommendation of the investment advisor as modified, if at all, by the participant.

78. (Previously presented) The method of Claim 74, and further comprising the steps of:

using the automated investment advisor to calculate a first model portfolio based on the human capital of the participant as calculated using the present participant savings rate and retirement age and a probable replacement retirement income based on the model portfolio;

using the automated investment advisor to calculate a plurality of alternative cases in which the savings rate is varied from the present participant savings rate; and

displaying a plurality of the cases to the participant so that the participant may select one of the cases.

79. (Currently amended) The method of Claim 74, and further comprising the steps of:

using the automated investment advisor to calculate a first model portfolio based on the human capital of the participant as a function of the present participant savings rate and a first assumed retirement age and a probable replacement retirement income based on the first model portfolio;

using the automated investment advisor to calculate a plurality of alternative cases in which the retirement age is varied from the first assumed retirement age; and

displaying a plurality of the cases to the participant to permit the participant to select one of the cases.

80. (Previously presented) A machine-readable medium on which has been prerecorded a compute program which, when used to program a processor, creates an automated investment advisor which performs the steps of:

calculating, for each of a plurality of participants in an employer benefit plan, a respective human capital;

formulating investment instructions as to the allocation of assets of an investment portfolio of each participant based on the step of calculating the human capital for that participant; and

transmitting the investment instructions to an automated benefit plan manager which buys and sells shares of a plurality of predetermined investment vehicles of

varying risk according to the investment instructions, each participant portfolio having assets distributed among the predetermined investment vehicles.

81. (Previously presented) The medium of Claim 80, wherein the automated investment advisor further performs the steps of:

linking to a record keeper which contains data on the plan participants; and calculating the human capital of each participant as a function of data obtained from the record keeper concerning that participant.

82. (Previously presented) The medium of Claim 80, wherein the automated investment advisor calculates the human capital of a participant based on participant data received from the participant.

83. (Previously presented) The medium of Claim 80, wherein the automated independent advisor performs the additional steps of:

presenting, over a participant interface, a recommended allocation of assets; through the participant interface, accepting modifications by the participant of the allocation of portfolio assets; and

instructing the plan manager to make an allocation of assets of the portfolio of the participant based on the recommendation of the investment advisor as modified, if at all, by the participant.

84. (Previously presented) The medium of Claim 80, wherein the automated

independent advisor performs the further steps of:

- calculating a first model portfolio based on the human capital of the participant as calculated using a present participant savings rate and retirement age and a probable replacement retirement income based on the model portfolio;

- calculating a plurality of alternative cases in which the savings rate is varied from the present participant savings rate; and

- using a display coupled the advisor to display a plurality of the cases to the participant for the participant to select one of the cases.

85. (Previously presented) The medium of Claim 80, wherein the automated independent advisor further performs the steps of:

- calculating a first model portfolio based on the human capital of the participant as a function of a present participant savings rate and a first assumed retirement age and a probable replacement retirement income based on the first model portfolio;

- calculating a plurality of alternative cases in which the retirement age is varied from the first assumed retirement age; and

- using a display coupled to the advisor to display a plurality of the cases to the participant to permit the participant to select one of the cases.

86. (Previously presented) A method for automatically rebalancing a portfolio of an investor, comprising the steps of:

- determining a human capital of an investor;

- retrieving a financial worth of the investor;

summing the financial worth of the investor with the human capital to derive a total worth of the investor;

making a target allocation of the total worth of the investor according to predetermined, stored criteria;

recommending an allocation of the assets of the financial worth of the investor such that the asset allocation of the total worth approaches the target allocation; and

using the last said recommendation of allocation of assets to determine how assets in an investment portfolio of the investor ought to be allocated among predetermined investment vehicles.

87. (Previously presented) A machine-readable medium on which has been prerecorded a computer program which, when executed by a processor, performs the steps of:

determining a human capital of an investor;

retrieving a financial worth of the investor;

summing the financial worth of the investor and the human capital to derive a total worth of the investor;

making a target allocation of the total worth of the investor according to predetermined, stored, criteria;

recommending an allocation of the assets of the financial worth of the investor such that the asset allocation of the total worth of the investor meets or most closely approaches

the target allocation; and

using the last said recommendation of allocation of assets to determine how assets in an investment portfolio of the investor ought to be allocated among predetermined investment vehicles.

88. (Previously presented) A system for automatically rebalancing a portfolio of an investor, comprising:

a memory for storing a value for a human capital of at least one investor and data relating to the assets composing a financial worth of the investor;

a processor coupled to the memory and programmed to sum the financial worth of the investor with the human capital of the investor to derive a total worth of the investor;

the processor further programmed to make a target allocation of the total worth of the investor between the first and second investment types according to predetermined criteria

stored in the memory;

the processor calculating a recommended allocation of assets of the financial worth of the investor such that the asset allocation of the total worth of the investor meets or

most closely approaches the target allocation; and

the memory storing the recommended allocation of assets of the financial worth of the investor for use in directing the allocation of assets in a portfolio of the investor.